

California Gambling Control Commission
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MINUTES OF JANUARY 26, 2006
COMMISSION MEETING

OPEN SESSION

Chairman Shelton called the meeting of January 26, 2006, to order at 1:30 p.m., with Commissioners Cruz, Sasaki, and Vuksich present.

Staff Participating: Steve Giorgi, Executive Director, Cyrus Rickards, Chief Counsel, and Herb Bolz, Senior Legal Counsel and Regulations Coordinator, Legal Division, Gary Qualset, Deputy Director, Compliance Division, and Cara Podesto, Manager, Licensing Division.

Chairman Shelton introduced and welcomed newly appointed Commissioner Alexa Vuksich.

Commissioner Vuksich introduced herself, stated she had fifteen years of public service, including having previously served on a commission, and she was delighted to be here.

Upon motion of Chairman Shelton, seconded by Commissioner Cruz and carried in the vote by roll call with Chairman Shelton and Commissioners Cruz and Sasaki voting yes, Commissioner Vuksich abstaining, the Commission adopted the August 4, 2005 meeting minutes with amendments to correct on Page One, Paragraph Four: remove the word "minor," and on Page Nine, Paragraph Two, Item 7.b: replace "Montaeu" with Monteau.

Upon motion of Commissioner Sasaki, seconded by Chairman Shelton and carried in the vote by roll call with Chairman Shelton and Commissioners Cruz and Sasaki voting yes, Commissioner Vuksich abstaining, the Commission adopted the October 20, 2005 meeting minutes with an amendment to include what the motion was made by Commissioner Williams on Page Two, Paragraph Two.

Upon motion of Commissioner Sasaki, seconded by Chairman Shelton and carried in the vote by roll call with Chairman Shelton and Commissioners Cruz and Sasaki voting

yes, Commissioner Vuksich abstaining, the Commission adopted the December 1, 2005 meeting minutes.

Upon motion of Commissioner Sasaki, seconded by Chairman Shelton and carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Sasaki voting yes, Commissioner Vuksich abstaining, the Commission adopted the December 15, 2005 meeting minutes with amendments to correct the spelling of *Watanabe*, Item 2.a, on Page Two, Paragraph Two; and replace the word "*issuance*" with issuance on Page Five, Paragraph Two; and to include the reasons that were provided by staff for recommendations of approval of temporary state gambling license renewals, Items 5.a., 5.b., 5.d, and 5.f. on Page Seven.

Upon motion of Commissioner Sasaki, seconded by Chairman Shelton and carried in a roll-call vote with Chairman Shelton and Commissioners Cruz and Sasaki voting yes, Commissioner Vuksich abstaining, the Commission adopted the January 5, 2006 meeting minutes with amendments to include the reason staff provided for their recommendation of approval of a temporary state gambling license renewal for the Cap's Saloon, Item 6.a. on Page Five; and to add on page seven, Item 8, Chairman Shelton's statement that the matter would be brought back to the Commission for future quorum vote.

DECISION ITEMS

1. Applications for Work Permit:
 - a. Club San Rafael:
Shulkin, Lucas
 - b. Lake Bowl Cardroom:
Swan, Mary
 - c. Napa Valley Casino:
Crawford, Candace

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for a work permit for Lucas Shulkin, Item 1.a., Mary Swan, Item 1.b., and Candice Crawford, Item 1.c. Upon motion of Commissioner Cruz, second by Commissioner Sasaki and unanimously carried in a roll-call vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Vuksich voting yes, the Commission approved the applications for a work permit for Lucas Shulkin, Mary Swan and Candice Crawford.

2. Requests for Additional Authorized Tables:

- a. Lucky Derby Casino: Point – Walker, Incorporated – California Corporation

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the request for one additional table, for a total of eight tables authorized on the license, for Lucky Derby Casino, Item 2.a. Upon motion of Commissioner Sasaki, seconded by Commissioner Cruz and unanimously carried in a roll-call vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Vuksich voting yes, the Commission approved the request for one additional table, for a total of eight tables authorized on the license, for Lucky Derby Casino.

- b. Palomar Card Club: Palomar Card Club -- General Partnership

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the request for two additional tables, for a total of seven tables authorized on the license, for Palomar Card Club, Item 2.b. Upon motion of Commissioner Cruz, seconded by Commissioner Vuksich and unanimously carried in a roll-call vote, with Chairman Shelton and Commissioners Cruz, Sasaki, and Vuksich voting yes, the Commission approved the request for two additional tables, for a total of seven tables authorized on the license, for Palomar Card Club.

- c. Phoenix Casino and Lounge: Phoenix Casino and Lounge, Inc., California Corporation

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the request for one additional table, for a total of eight tables authorized on the license for, Phoenix Casino and Lounge, Item 2.b.

Commissioner Sasaki questioned why the casino had previously paid for eight tables.

Manager Podesto indicated that the card room has submitted several requests for the one additional table and included payment for eight tables with those applications. Staff was unable to process the request until it was approved by the local ordinance. Acting Manager Podesto further indicated that staff has adjusted the additional overpayments and has credited that amount towards fees due.

Upon motion of Chairman Shelton, seconded by Commissioner Cruz and unanimously adopted in a roll-call vote, with Chairman Shelton and Commissioners Cruz, Sasaki, and Vuksich voting yes, the Commission approved the request for one additional table, for a total of eight tables authorized on the license, for Phoenix Casino and Lounge.

3. Applications for Renewal of State Gambling License:

a. Bay 101: Sutter's Place Incorporated, California Corporation

Manager Podesto stated that Commission staff recommends that Bay 101, Item 3.a., be tabled to enable staff more time to review additional information. Manager Podesto further indicated that Bay 101 was issued a temporary license that will expire on April 30, 2006. The Commission took no action on Item 3.a., which was tabled at the request of staff.

b. Cameo Club: Lewis and Lewis, Incorporated, California Corporation

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for the renewal of a state gambling license from February 1, 2006 through January 31, 2007 for Cameo Club, Item 3.b.

Commissioner Sasaki inquired about the father and daughter being registered as 50% shareholders and the current status of the wife.

Manager Podesto advised that the wife was previously a shareholder but signed a waiver stating that the husband would retain the card room as his sole and separate property.

Upon motion of Commissioner Cruz, seconded by Commissioner Vuksich and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Vuksich voting yes, the Commission approved the application for renewal of a state gambling license from February 1, 2006 through January 31, 2007, for Cameo Club.

c. Club Caribe: S&S Gaming, Incorporated – California Corporation

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for the renewal of a state gambling license from February 1, 2006 through January 31, 2007, contingent upon the payment of fees, for Club Caribe, Item 3.c. Upon motion of Commissioner Sasaki, seconded by Commissioner Vuksich and unanimously carried in a roll-call vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Vuksich voting yes, the Commission approved the application for a renewal of a state gambling license for Club Caribe, contingent upon the payment of fees.

d. Gold Rush Gaming Parlor: Susan Barrows, Sole Proprietor

Manager Podesto stated that the Commission had previously issued a temporary conditional state gambling license to Gold Rush Gaming Parlor, Item 3.d., through January 31, 2006, and presented to the Commission staff's recommendation that the

Commission adopt either staff recommendation Option A or staff recommendation Option B, which she presented to the Commission as follows:

Option A:

Staff recommends that the state gambling license for Sue Barrows be denied due to non-compliance of conditions.

Option B:

Staff recommends that the Commission approve a conditional temporary state gambling license to the owner of Gold Rush Gaming Parlor for the period of February 1, 2006 through April 30, 2006 with the following conditions:

- 1. The Licensee or licensed key employee must be present during all times that games are in process.*
- 2. The Licensee will submit all applications for State Gambling License, Key Employee, and work permits in a timely manner, i.e., by required due dates.*
- 3. The applicant will submit Bi-Annual Reports by the required due dates.*

Chairman Shelton asked if Robert Tabor, newly retained counsel for Ms. Barrows, was present, and if so inquired how he intended to handle this issue.

Robert Tabor, representing Sue Barrows, stated his intentions to work with Ms. Barrows and encourage her to run the club in a fully compliant manner. Mr. Tabor indicated that he was relatively new to this case and was pleased that the Commission provided Option B as an alternative. Mr. Tabor also stated that on January 25, 2006, he submitted correspondence to the Commission's Chief Counsel requesting an evidentiary hearing in response to the Commission's January 20, 2006 letter. Mr. Tabor indicated that the new temporary conditional license being recommended by staff under Option B would be acceptable to both he and his client. Mr. Tabor advised the Commission that Cal Pac, has signed a purchase agreement for the pending sale.

Chairman Shelton stated that because the Commission lacks disciplinary regulations it cannot deny the license but can issue a temporary extension and ask for an evidentiary hearing. Chairman Shelton also stated that the Commission was aware of the contract for sale, but advised that the Commission cannot act on the pending sale until it is scheduled on the agenda and brought before the Commission.

Commissioner Cruz asked for clarification on whether the Commission could deny the application that's been submitted, keep the suspension in place, or issue a license subject to conditions?

Chief Counsel Rickards, stated that the Gold Rush Gaming Parlor currently has a temporary conditional license and further advised that the Commission had authorization to previously suspend the license for failure to submit a renewal application in a timely manner. Chief Counsel Rickards advised that on a staff recommendation of denial, the Commission could request the Division to file an accusation with the Office of Administrative Hearings (OAH). This would allow the club to remain open with the current license and conditions. Chief Counsel Rickards further stated that should the club continue to operate in non-compliance with the Act, a future Commission option would be to follow the emergency procedure pursuant to Business and Professions Code, section 19931.

Commissioner Sasaki questioned if the current conditions would remain and whether additional conditions could be placed on the license if an evidentiary hearing were to be scheduled.

Chief Counsel Rickards stated that the current conditions would remain and if the matter was referred to an administrative hearing by filing an accusation to deny the license, the current existing conditions on the license are the only ones that remain absent an agreement by the licensee to more interim conditions. Chief Counsel Rickards further indicated, in reference to the effort to sell the club, that staff was reviewing the purchase agreement, which would have to be approved by the Commission before it can take effect and the Commission won't accept an application for licensure until after the purchase agreement has been approved by the Commission.

Mr. Tabor suggested that Cal-Pac be allowed to manage the Gold Rush Gaming Parlor until the sale is final. Mr. Tabor then recommended that someone from Cal-Pac be approved as key employee.

Chief Counsel Rickards stated that Cal-Pac must be licensed to operate the Gold Rush Gaming Parlor and the Commission would have to approve the sales agreement before Cal-Pac could be issued a license.

Marty Horan, Special Agent in Charge, Division of Gambling Control, in response to a request by Commissioner Cruz presented to the Commission the Division's recommendation that the following conditions be placed on the state gambling license.

The Division recommends the following additional conditions be placed on the license as long as the establishment is going to be open until we can move forward with an accusation:

- 1) Cease and desist extension of credit, which is prohibited by local ordinance. (This was a violation of the Grass Valley Local Ordinance section 5.10.090, loaning of money prohibited and B & P Code section 19923, violation of a local ordinance.)*
- 2) Maintain sufficient funding to cover Bad Beat Jackpots and High Hand Bonuses as required and have those records available to the Division upon request.*
- 3) Comply with ongoing requests from Division with regard to accounting records, enabling the Division to complete a financial audit.*
- 4) Owner to refrain from gambling in the establishment unless she has a key employee on duty to supervise staff and make discretionary decisions as they arise.*
- 5) Comply with all accounting, labor, and taxation requirements as required and requested by State and Federal Agencies. Those Agencies include but should not be limited to EDD, IRS, FTB and CA Department of Insurance.*
- 6) Cooperate with local law enforcement agencies on any criminal investigations associated with the operation of the gambling establishment.*
- 7) Owner and employees are not to use house funds to gamble in the establishment.*

Chairman Shelton asked Mr. Tabor if his client is amenable to having the additional conditions placed on the license and will agree to comply with these conditions.

Mr. Tabor gave an affirmative response.

Commissioner Cruz moved to adopt the staff recommendation Option A with the additional conditions presented by the Division placed on the license. Chairman Shelton seconded the motion.

Douglas Moore presented comments regarding Sue Barrows, owner of the Gold Rush Gaming Parlor, and informed the Commission that Ms. Barrows had borrowed money on multiple occasions from him and other family members to fund the business

operation. Mr. Moore requested that the Commission approve the sale of the Gold Rush Gaming Parlor to the Cal Pac Group or any other qualified buyer under the condition that all debtors are paid in full from sale proceeds.

The motion made by Commissioner Cruz and seconded by Chairman Shelton unanimously carried in a roll-call vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Vuksich voting yes, the Commission denied the application for a state gambling license for the Gold Rush Gaming Parlor, and with Mr. Tabor's agreement added the additional conditions recommended by the Division to the license. The Commission refereed the matter for administrative hearing.

e. Lucky Lady Card Room: Stanley Penn, Sole Proprietor

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of a three-month temporary state gambling license from February 1, 2006 through April 30, 2006, for Lucky Lady Card Room, Item 3.e.

Commissioner Sasaki inquired of staff their reason for recommending a temporary renewal of the state gambling license.

Manager Podesto stated that the Division needed additional time for review.

Upon motion of Chairman Shelton, seconded by Commissioner Cruz and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Vuksich voting yes, the Commission approved a temporary renewal of the state gambling license from February 1, 2006 through April 30, 2006, for Lucky Lady Card Room.

f. Oaks Card Club: Oaks Card Club, Limited Partnership:

Manager Podesto indicated that, because additional time is needed for the Division to complete its review of the application, staff recommends approval of a three-month temporary state gambling license from February 1, 2006 through April 30, 2006, for Oaks Card Club, Item 3.f.

Commissioner Sasaki noted that the application was timely submitted and commended the Oaks Card Room and others who continue to submit their applications in a timely manner.

Upon motion of Commissioner Sasaki, seconded by Commissioner Cruz and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Vuksich voting yes, the Commission approved a temporary renewal of the state gambling license from February 1, 2006 through April 30, 2006, for Oaks Card Cl87b, Item 3.f.

g. S and K Cardroom: Otho Smith, Sole Proprietor

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for the renewal of a state gambling license from November 1, 2005 through October 3, 2006, for S and K Cardroom, Item 3.g. Upon motion of Commissioner Sasaki, seconded by Commissioner Cruz and unanimously carried in a roll-call vote, with Chairman Shelton and Commissioners Cruz, Sasaki, and Vuksich voting yes, the Commission approved the application for a renewal of a state gambling license for S and K Card Room.

4. Revenue Sharing Trust Fund Report of Distribution to Non-Compact Tribes.

Deputy Director Qualset presented to the Commission for its consideration the following staff recommendation concerning the Revenue Sharing Trust Fund Report of Distribution of Funds to Non-Compact Tribes for the Quarter Ended June 30, 2005:

It is recommended that:

- 1) the Commission approve distribution of the current full quarterly amount of approximately \$7.05 million of all payments made by tribes and any interest income received by the Indian Gaming Revenue Sharing Trust Fund during the most recent quarter ended December 31, 2005, to the listed tribes that are determined to be eligible Non-Compact Tribes in accordance with the Commission's identified methodology for determining a Non-Compact Tribe as shown in Exhibit 1 attached to this report, and any interest accrued for previously approved distributions held in abeyance in the Indian Gaming Revenue Sharing Trust Fund but not immediately disbursed, and*
- 2) the Commission approve the amounts of the shortfall shown in Exhibit 4 determined pursuant to the stipulations prescribed in Government Code section 12012.90,*
- 3) approval of distributions shall be made on a conditional basis subject to receipt of any required eligibility certification of the maximum number of gaming devices operated during the quarter by each tribe that is required to submit a completed certification form, and*
- 4) the Commission voluntarily provide a copy of the report to the Legislature for informational purposes even though no augmentation is being requested with this distribution and no reporting of this information to the Legislature is presently required.*

Upon motion of Commissioner Sasaki, seconded by Commissioner Cruz and unanimously carried in a roll call vote, with Chairman Shelton and Commissioners Cruz, Sasaki, and Vuksich voting yes, the Commission adopted staff's recommendation. A copy of the report titled *"Revenue Sharing Trust Fund Report of Distribution of Funds to Non-Compact Tribes for the Quarter Ended June 30, 2005."* is incorporated into the minutes as Attachment A.

5. Discussion of Regulation Topics for 2006 (Rulemaking Calendar ideas).

Senior Legal Counsel Bolz announced that staff was preparing to compose a rulemaking calendar for 2006 that would identify topics for regulation that are planned for formal Administrative Procedure Act notice and comment procedures for 2006. Mr. Bolz indicated that input from interested parties was currently being solicited by staff for inclusion of regulation topics in the 2006 Rulemaking Calendar.

Tracy Buck-Walsh, representing Network Management Group, Inc., presented to the Commission proposals of regulation topics concerning Third Party Proposition Player Provider Services for inclusion in the 2006 Rulemaking Calendar.

CONSENT CALENDAR ITEMS:

1. Applications for Renewal of Work Permit:

- a. Empire Sportsmen's Association:
Nguyen, Luong
- b. The 101 Casino:
Deval, Dory
Sharpe, Peggy

2. Applications for Tribal-State Compact Key Employee Finding of Suitability:

- a. Agua Caliente Band of Cahuilla Indians of the Agua Caliente Reservation – Agua Caliente Casino:
Hughes, Peter
- b. Augustine Band of Cahuilla Mission Indians of the Augustine Reservation – Augustine Casino:
Breidenbach, Debra
Rodriguez, Sandra
Underwood, Jacqueline
- c. Barona Group of Capitan Grande Band of Mission Indians of the Barona Reservation – Barona Valley Ranch Resort and Casino:
Barnett, Chloe
Bauder, Patricia
Brooks, Mickle
Eldson, Jerry

- Farrell, Amber
- Greeny, Sandra
- Jones, Danielle
- Pellerito Salvatore
- Poe, Travis
- Shamis, Shelya
- Welch, Janice
- d. Bear River Band of the Rohnerville Rancheria
 - Chandler, Kristen
 - Ebey, Vicki
 - Lawrence, Dawn
 - Loper, John
 - Smith, Paul
- e. Big Valley Band of Pomo Indians of the Big Valley Rancheria – Konocti Vista Resort and Casino:
 - McCloud, Nicole
- f. Cabazon Band of Mission Indians – Fantasy Springs Resort Casino:
 - Boyd, Russell
 - Stricklin, Desera
 - Tracy, Terrence
- g. Cahto Indian Tribe of the Laytonville Rancheria – Red Fox Casino:
 - Foltz, Richard
- h. Coyote Valley Band of Pomo Indians – Shodakai Casino:
 - Allen, Arlond
 - King, Rhonda
- i. Elk Valley Rancheria – Elk Valley Casino:
 - Cavyell, Larry
- j. Jackson Rancheria of Me-Wuk Indians of California – Jackson Rancheria Casino, Hotel, and Conference Center:
 - Brosz, Kenna
 - Combs, Jason
 - Rummerfield, Dana
 - Schwarz, Alecia
 - Yorks, Myron
- k. Mooretown Rancheria of Maidu Indians of California – Feather Falls Casino:
 - Kissee, Felicea
- l. Morongo Band of Cahuilla Mission Indians of the Morongo Reservation – Casino Morongo:
 - Barajas, Georgina
- m. Paiute-Shoshone Indians of the Bishop Community of the Bishop Colony – Paiute Palace Casino:
 - Sandoval, Lisa

- n. Pauma Band of Luiseno Mission Indians of the Pauma & Yuima Reservation – Casino Pauma:
Xayasomroth, Judy

- o. Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation – Pechanga Resort and Casino:
Boggs, Amy
Eduarte, Crisanto
Huang, Jaime
Lee, Kiho
Tafolla, Xochitl
White, Charles
- p. Picayune Rancheria of Chukchansi Indians of California – Chukchansi Gold Resort and Casino:
Breazell, Israel
Irwin, Stacy
Vang Fue
- q. Quechan Tribe of the Fort Yuma Indian Reservation – Paradise Casino:
Hart, Brian
- r. Redding Rancheria – Win-River Casino:
Blue, Kirk
- s. Rincon Band of Luiseno Mission Indians of the Rincon Reservation – Harrah's Rincon Casino and Resort:
McGee, Charles
Nakelsky, Joshua
- t. Rumsey Indian Rancheria of Wintun Indians of California – Cache Creek Casino Resort:
Chetty, Bruce
Comoletti, Dean
Jun, Jaekoo
Vang, Chia
- u. San Pasqual Band of Diegueno Mission Indians of California – Valley View Casino:
Beltran, Kevin
Faggart, Edward
Gucati-Mak, Indira
Whipple, Alicia
- v. Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation – Chumash Casino Resort:
Adams, Ian
Dornbush, Denise
Gonzales, Rosa

- w. Sycuan Band of Diegueno Mission Indians of California – Sycuan Casino and Resort:
 - Chantaravong, Poonsak
 - Danielak, Brian
 - Manga, Marck
 - Tedesco, Sam
- x. Table Mountain Rancheria of California – Table Mountain Casino:
 - Fajardo, Manuel
 - Montano, Nellie
 - Negrete, Susan
 - Reyna, Vincent
- y. Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria of California – Black Oak Casino:
 - Bishop, Vanessa
 - Gutierrez, Tammy
 - Hidalgo, Richard
 - Johnson, Paula
 - Manning, Michael
 - Nelson, Janine
 - O'Brien, Gregory
 - Whitney, Julie
- z. United Auburn Indian Community of the Auburn Rancheria of California – Thunder Valley Casino:
 - Flagor, Gerald
 - Lus, Metin
 - Myers, Jeffrey
 - Parmentier, Lynn
 - Saechao, Farm
 - Saephanh, Awang
 - Saetern, Khae
- aa. Viejas (Baron Long) Group of Capitan Grande Band of Mission Indians of the Viejas Reservation – Viejas Casino:
 - Han, Judy
 - Holmes, Amanda
 - Khamphan, Wanna
 - Perez, Juan
 - Zermeno, Alfredo

2. Applications for Tribal-State Compact Key Employee Finding of Suitability – Renewals:

- a. Agua Caliente Band of Cahuilla Indians of the Agua Caliente Reservation – Agua Caliente Casino:
 - Ayers, Kimberly
 - Brady, Patricia

Lantz, Charles
Phipps, Wallace
Spencer, Trudy

- b. Augustine Band of Cahuilla Mission Indians of the Augustine Reservation
– Augustine Casino:
Bourque, Anthony
Washington, Georg
- c. Cher-Ae Heights Indian Community of the Trinidad Rancheria – Cher-Ae
Heights Casino:
Frye, David
Lara, Roberta
- d. Jackson Rancheria of Me-Wuk Indians of California – Jackson Rancheria
Casino, Hotel, and Conference Center:
Bowden, William
Clissold, Brian
Day-Longman, Bonnie
Farr, Steven
Harvey, Ken
Horn, April
Kelly, Daniel
Laird, Cory
- e. Morongo Band of Cahuilla Mission Indians of the Morongo Reservation –
Casino Morongo:
Quintanilla, Erika
- f. Pala Band of Luiseno Mission Indians of the Pala Reservation – Pala
Casino Resort Spa:
Benjamin, Todd
Carnahan, Kenneth
Farias, Michael
- g. Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation
– Pechanga Resort and Casino:
Lindemann, Paul
- h. Rumsey Indian Rancheria of Wintun Indians of California – Cache Creek
Casino Resort:
Battaglia, Marc
Cresap, John
Derby, John
Khounphinith, Viengvone
Lalaw, Wern
Santillan, David
- i. San Manuel Band of Serrano Mission Indians of the San Manuel

- Reservation – San Manuel Indian Bingo & Casino:
Branscome, Daniel
Hedrick, Thomas
Wong, Andrew
- j. Smith River Rancheria – Lucky 7 Casino:
Aubin, Candace
- k. Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria of California – Black Oak Casino:
Campiotti, Aaron
- l. United Auburn Indian Community of the Auburn Rancheria of California – Thunder Valley Casino:
Carlos, Richard
DeLugo, Bryan
Everett, Keith
Hartman, Nancy
Le, Timothy
Miller, Laura
Saenz, Joseph
Spicer, Kathryn
- m. Viejas (Baron Long) Group of Capitan Grande Band of Mission Indians of the Viejas Reservation – Viejas Casino:
Cunnington, Michele
Gaitan, Angelina
Gelwicks, Leslie
Gray, Kevin
Soriano, Sharie

Manager Podesto presented the Consent Calendar to the Commission for its consideration of the applications for renewal of a work permit, Tribal-State Compact Key Employee Finding of Suitability and renewal of Tribal-State Compact Key Employee Finding of Suitability. Upon motion of Commissioner Cruz, seconded by Commissioner Sasaki and unanimously carried in a roll-call vote, with Chairman Shelton and Commissioners Cruz, Sasaki, and Vuksich voting yes, the Commission approved the Consent Calendar.

PUBLIC COMMENT:

There were no comments from the public during this portion of the meeting.

CLOSED SESSION:

Chairman Shelton announced that the Commission would not adjourn to Closed Session since there were no new matters under Government Code section 11126(e); 11126(e)(b)(i); and 11126(e)(c)(i) that required discussion.

ADJOURNMENT

Upon motion to adjourn the meeting by Commissioner Sasaki, seconded by Commissioner Cruz and unanimously carried in a roll-call vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Vuksich voting yes, the meeting adjourned at 2:35 p.m.

CALIFORNIA GAMBLING CONTROL COMMISSION

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DATE: January 26, 2006

TO: Gambling Control Commission

FROM: Gary Qualset, ⁶⁰Deputy Director
Compliance Division

SUBJECT: Revenue Sharing Trust Fund Report of Distribution of Funds to Non-Compact Tribes (Eligible Recipient Indian Tribes) for the Quarter Ended December 31, 2005

ISSUE: *Can the Gambling Control Commission (Commission) make a current quarterly distribution from the Indian Gaming Revenue Sharing Trust Fund (RSTF) to each eligible recipient Indian Tribe for the quarter ended December 31, 2005?*

The Commission, as administrator for the RSTF, is required to make quarterly distributions from the RSTF in accordance with the Tribal-State Gaming Compacts (Compacts) Sections 4.3.2.1 (a) and (b) and Government Code (GC) Section 12012.90 (e)(2).

The RSTF serves as the depository for payments made by Tribes that acquire and maintain gaming device licenses and interest income earned by the RSTF. The process for allocating licenses and the awarding thereof by the administrator is outlined in Section 4.3.2.2. This Section also specifies the amounts that shall be paid for license fees. Additionally, the RSTF receives transfers of funds from the Indian Gaming Special Distribution Fund (SDF) for any shortfalls in payments from the RSTF. These shortfall transfers are made in order to provide each eligible recipient Indian tribe with a total of \$275,000 for each quarter of eligibility up to a maximum of \$1.1 million per fiscal year.

To date, the Commission has approved the distribution of approximately \$154.53 million in license fees, payments, and interest income from the RSTF covering twenty-one fiscal quarters from July 1, 2000 through September 30, 2005. The current distribution being proposed will make a distribution of the actual amount of license fees received and interest income that may have been deposited in the RSTF within the quarter ended December 31, 2005, and the ratable portion of the current fiscal year SDF transfer of quarterly RSTF shortfall amounts.

As shown in Exhibit 1, all eligible tribes will be receiving \$100,786.04 from license fees and interest income with this distribution for the quarter ended December 31, 2005. Total license fees of approximately \$6.95 million and interest earned of \$97,435.45 for the quarterly period ended December 31, 2005, and deposited in October 2005 into the RSTF for the quarter ended December 31, 2005, amounted to approximately \$7.05 million. A portion of the interest earned is allocated to previously approved distributions held in abeyance in the RSTF on behalf of one (1) tribe in the amount of \$274.44. Approved distributions will be held only in the event there is no existing tribal chairperson or representative with whom the BIA conducts government-to-government relations, or there is some other unusual situation which calls into question the Commission's ability to distribute funds to the tribe or otherwise carry out its obligation pursuant to Section 4.3.2.1 (b). The remaining receipts are equally distributed to the seventy (70) tribes listed in Exhibit 1 as eligible Non-Compact recipient tribes (pending receipt of outstanding

eligibility certification forms, if any). Thus, the equal share distribution amount per tribe for this quarter is as noted above.

In addition to the amount presented in Exhibit 1 of this report each of the seventy (70) eligible recipient Indian tribes will be receiving \$174,213.96 in quarterly RSTF shortfall funds for the quarter ended December 31, 2005, that have been transferred into the RSTF from the SDF. As shown in Exhibit 4, the quarterly amount of the shortfall in payments to all eligible recipient Indian tribes for the quarter ended December 31, 2005, totals \$12,194,977.20.

At the end of the calendar quarter for distribution and as of the close of business on December 31, 2005, the amount of outstanding license fee payments due into the RSTF was approximately \$2.14 million. If the total license fee payments due at the end of this quarter had been paid into the RSTF, recipient tribes would have received \$30,642.36 in moneys with this quarter's distribution in lieu of SDF transferred shortfall funds. The Commission makes quarterly distributions on a cash basis based on the amount of available funds in the RSTF for each quarter. Total outstanding and due license fee payments for the quarter ended December 31, 2005, are summarized in Table 1 below:

Table 1		
Indian Gaming Revenue Sharing Trust Fund License Fee Payment Aging Schedule as of December 31, 2005		
Quarter(s) in Arrears	Number of Tribes	Amount of License Fees Due
Less than 1	0	\$0.00
1	8	2,132,400.00
2	4	12,565.49
Totals	12	\$2,144,965.49

Table 1 shows the number of tribes that are in arrears and the amount due in accordance with the terms of the original 1999 Compacts. The amount due includes an estimate of prorated fees for partial quarterly amounts. Compact Section 4.3.2.3 provides that a tribe shall not conduct any gaming activity authorized by the Compact if the tribe is more than two quarterly contributions in arrears in its license fee payments into the RSTF.

Effective September 2, 2004, five (5) Compacts of 1999 were amended related to fees due to the RSTF from the tribes that amended their Compacts. These fees are to maintain the existing gaming device licenses that are held by each of these tribes. Amended Compact Section 4.3.2.2 provides that the tribes shall deposit fees within 30 days of the end of the each calendar quarter.

The Commission, as administrator, sends out quarterly invoices for the payment of license fees near the beginning of each quarter. Additionally, the Commission follows standard collection practices, which includes noticing those of past due amounts, and has initiating procedures if action is needed under the provisions of Compact Section 4.3.2.3 noted above.

The distribution amounts for each tribe that are presented in the attached report are subject to audit and subsequent verification of eligibility by the Commission. In accordance with the Commission's methodology for determining a Non-Compact Tribe, it is also being recommended that this distribution be on a conditional basis pending receipt of certification of the maximum number of gaming devices operated during the quarter by each tribe that is required to submit a completed certification form. Tribes that are required to complete the certification form are those tribes that entered into Compacts with the State of California and

have operated less than three hundred-fifty gaming devices during the entire quarter for this distribution.

Pursuant to Item 0855-101-0366 of the Budget Act of 2005, \$96.5 million was appropriated for distribution to Non-Compact Tribes. Of this amount, \$50.5 million is from a transfer from the SDF to the RSTF pursuant to Item 0855-111-0367 and the balance of \$46.0 million provides for the regular quarterly distributions required by the Compacts. Per Provision 3 of Item 0855-101-0366, the first four items of the following information is requested according to control language as part of any request to augment Item 0855-101-0366. Additionally, GC Section 12012.90(e)(5) requires some of the information below to be provided, as well as the amount necessary to backfill from the SDF to the RSTF any shortfall in order for each eligible recipient tribe to receive a total of \$275,000 per fiscal quarter.

1. The Methodology for Determining a Non-Compact Tribe

Per Section 4.3.2(a)(i) of the Compact, the term "Compact Tribe" and "Non-Compact Tribe" is defined as:

A "Compact Tribe" is a tribe having a compact with the State that authorizes the Gaming Activities authorized by this Compact. Federally-recognized tribes that are operating fewer than 350 Gaming Devices are "Non-Compact Tribes." Non-Compact Tribes shall be deemed third party beneficiaries of this and other compacts identical in all material respects. A Compact Tribe that becomes a Non-Compact Tribe may not thereafter return to the status of a Compact Tribe for a period of two years becoming a Non-Compact Tribe (sic).

For this distribution from the RSTF, the Commission used the following procedures as the methodology for determining if a tribe is a Non-Compact Tribe:

- A. Identify all tribes in the State of California that are Federally-recognized based on information obtained from the U. S. Department of Interior, Bureau of Indian Affairs, and a legal opinion received from the State Attorney General's Office.
- B. Request that each Non-Compact Tribe that entered into Compacts with the State that is to receive a distribution certify the maximum number of gaming devices operated during the quarter by completing and filing a Tribal-State Compact Gaming Device Certification Form (CGCC-C2005.02). Receive this form from each eligible tribe in accordance with the streamlined verification procedure implemented by the Commission. This form was mailed to Tribes for completion and filing and is also available on the Commission's website at www.cgcc.ca.gov.
- C. Classify all tribes identified in step A based on the information obtained in step B as either: 1) Compact Tribes operating 350 or more gaming devices, 2) Non-Compact Tribes as defined by the Compact, 3) non-compacted gaming tribes, or a combination of classification 1) and 3).
- D. Classify all Non-Compact Tribes identified in part 2) of step C as eligible Non-Compact non-gaming tribes and Non-Compact gaming tribes that have submitted the requested certification form to the Commission if required.
- E. Prepare a list of Non-Compact Tribes based on the most recent information reported to the Commission.

2. A list of the Non-Compact Tribes Identified Based on the Commission's Methodology

A list of all Non-Compact Tribes as identified by the methodology identified in item 1 above is attached as Exhibit 1.

3. A Fund Condition Report Including the Amount of Revenue Received From Each Compact Tribe

A fund condition statement for the RSTF through December 31, 2005, for the fiscal year 2005-06 is attached as Exhibit 2. A listing of the amount of revenue from each Compact Tribe received by the Commission is attached as Exhibit 3.

4. The Amount of Funds to be Distributed to Each Non-Compact Tribe

The amount of funds to be distributed to each Non-Compact Tribe is listed in Exhibit 1 that is attached. The recommended distribution to each tribe listed in Exhibit 1 is subject to verification of eligibility and receipt of a Tribal-State Compact Gaming Device Certification Form (CGCC-C2005.02), if required.

5. The Amount of Shortfall in RSTF Quarterly Receipts Backfilled from the SDF to the RSTF

The amount of funds to be distributed to ensure that each eligible recipient Indian tribe receives \$275,000 for the fiscal quarter is listed in Exhibit 4 that is attached.

RECOMMENDATION: *It is recommended that:*

1) the Commission approve distribution of the current full quarterly amount of approximately \$7.05 million of all payments made by tribes and any interest income received by the RSTF during the most recent quarter ended December 31, 2005, to the listed tribes that are determined to be eligible Non-Compact Tribes in accordance with the Commission's identified methodology for determining a Non-Compact Tribe as shown in Exhibit 1 attached to this report, and any interest accrued for previously approved distributions held in abeyance in the RSTF but not immediately disbursed,

2) the Commission approve the amounts of the shortfall shown in Exhibit 4 determined pursuant to the stipulations prescribed in Government Code Section 12012.90,

3) approval of distributions shall be made on a conditional basis subject to receipt of any required eligibility certification of the maximum number of gaming devices operated during the quarter by each tribe that is required to submit a completed certification form, and

4) the Commission voluntarily provide a copy of this report to the Legislature for informational purposes even though no augmentation is being requested with this distribution and no reporting of this information to the Legislature is presently required.

Exhibit 1**Non-Compact Tribes Eligible to Receive a Distribution from the RSTF (Based on the Commission's Methodology) and the Amount of Funds Recommended for Distribution**

Non-Compact Indian Tribe		Amount of Funds Recommended to be Distributed
1	Alturas Indian Rancheria	\$100,786.04
2	Bear River Band of the Rohnerville Rancheria	100,786.04
3	Benton Paiute Reservation	100,786.04
4	Big Lagoon Rancheria	100,786.04
5	Big Pine Reservation	100,786.04
6	Big Sandy Rancheria	100,786.04
7	Bridgeport Paiute Indian Colony	100,786.04
8	Buena Vista Rancheria	100,786.04
9	Cahto Indian Tribe of the Laytonville Rancheria	100,786.04
10	Cahuilla Band of Mission Indians	100,786.04
11	California Valley Miwok Tribe	100,786.04
12	Cedarville Rancheria	100,786.04
13	Chemehuevi Indian Tribe	100,786.04
14	Cher-Ae Heights Indian Community	100,786.04
15	Chicken Ranch Rancheria	100,786.04
16	Cloverdale Rancheria	100,786.04
17	Cold Springs Rancheria	100,786.04
18	Colorado River Indian Tribes	100,786.04
19	Cortina Rancheria	100,786.04
20	Death Valley Timba-Sha Shoshone Tribe	100,786.04
21	Elem Indian Colony	100,786.04
22	Elk Valley Rancheria	100,786.04
23	Enterprise Rancheria	100,786.04
24	Ewiiapaayp Band of Kumeyaay Indians	100,786.04
25	Federated Indians of Graton Rancheria	100,786.04
26	Fort Bidwell Indian Community	100,786.04
27	Fort Independence Reservation	100,786.04
28	Fort Mojave Indian Tribe	100,786.04
29	Greenville Rancheria	100,786.04
30	Grindstone Rancheria	100,786.04
31	Guidiville Rancheria	100,786.04
32	Habematolel Pomo of Upper Lake	100,786.04
33	Hoopa Valley Tribe	100,786.04
34	Inaja-Cosmit Mission Indians	100,786.04
35	Ione Band of Miwok Indians	100,786.04
36	Jamul Indian Village	100,786.04
37	Karuk Tribe of California	100,786.04

Exhibit 1**Non-Compact Tribes Eligible to Receive a Distribution from the RSTF (Based on the Commission's Methodology) and the Amount of Funds Recommended for Distribution**

Non-Compact Indian Tribe		Amount of Funds Recommended to be Distributed
38	La Jolla Band of Mission Indians	100,786.04
39	La Posta Band of Mission Indians	100,786.04
40	Lone Pine Reservation	100,786.04
41	Los Coyotes Band of Cahuilla Indians	100,786.04
42	Lower Lake Rancheria	100,786.04
43	Lytton Rancheria	100,786.04
44	Manchester Point Arena Rancheria	100,786.04
45	Manzanita Mission Indians	100,786.04
46	Mechoopda Indian Tribe	100,786.04
47	Mesa Grande Mission Indians	100,786.04
48	Northfork Rancheria	100,786.04
49	Paiute Bishop Community	100,786.04
50	Pinoleville Rancheria	100,786.04
51	Pit River Tribe	100,786.04
52	Potter Valley Rancheria	100,786.04
53	Quartz Valley Indian Community	100,786.04
54	Quechan Tribe of Fort Yuma	100,786.04
55	Ramona Mission Indians	100,786.04
56	Redwood Valley Rancheria	100,786.04
57	Resighini Rancheria	100,786.04
58	Round Valley Indian Tribe	100,786.04
59	Santa Rosa Band of Cahuilla Mission Indians	100,786.04
60	Santa Ysabel Mission Indians	100,786.04
61	Scotts Valley Band of Pomo Indians	100,786.04
62	Sherwood Valley Pomo Indians	100,786.04
63	Shingle Springs Rancheria	100,786.04
64	Smith River Rancheria	100,786.04
65	Stewarts Point Rancheria	100,786.04
66	Susanville Indian Rancheria	100,786.04
67	Table Bluff Reservation	100,786.04
68	Torrez-Martinez Mission Indians	100,786.04
69	Washoe Tribe of Nevada & California	100,786.04
70	Yurok Tribe of the Yurok Reservation	100,786.04
Total		\$7,055,022.80¹

Footnotes:

1. The total amount of distribution to each tribe is subject to audit and verification by the Commission. Future distributions may be adjusted for any overpayments or underpayments that may have been made. If a tribe is subsequently determined to be a "Compact Tribe" by definition of the Compact, and is therefore not eligible for future distributions, any overpayments that may be made are subject to refund by a tribe(s) to the Commission. The above distributions are being recommended for distribution on a conditional basis and are subject to verification of eligibility. Distributions will only be made after receipt of a Tribal-State Compact Gaming Device Certification Form (CGCC-C2005.02) that indicates eligibility in accordance with the terms of the Compact.

EXHIBIT 2

CALIFORNIA GAMBLING CONTROL COMMISSION 0366 - INDIAN GAMING REVENUE SHARING TRUST FUND FUND CONDITION STATEMENT For the six months ended December 31, 2005 Cash Basis

BEGINNING BALANCE	\$ 6,959,717.06
REVENUES AND TRANSFERS	
Revenues:	
150300 Income from surplus money investments	130,835.61
216900 License fees held in trust	15,073,349.17
Transfer from the SDF to the RSTF for shortfall per Senate Bill No. 77 (Chapter 38, Statutes of 2005)	48,483,757.00
Transfer from the SDF to the RSTF for shortfall per Assembly Bill No. 1750 (Chapter 720, Statutes of 2005)	50,000,000.00
	<hr/>
Totals, Revenues	\$ <u>113,687,941.78</u>
Totals, Resources	\$ 120,647,658.84
EXPENDITURES	
Disbursements:	
Distribution	\$ 14,833,604.14
Fiscal Year 2004-2005 shortfall distribution per Senate Bill No. 77 (Chapter 38, Statutes of 2005) and Government Code Section 12012.90	<u>48,483,757.00</u>
Totals, Expenditures	\$ <u>63,317,361.14</u>
FUND BALANCE, prior to distribution	\$ 57,330,297.70
Disbursements, pending distribution	19,250,000.00
Interest due to tribes ¹	274.44
Assembly Bill No. 673 (Chapter 210, Statutes of 2003) and Government Code Section 12012.90 reserve pending audit resolution	<u>275,000.00</u>
FUND BALANCE, after distribution	\$ <u>37,805,023.26</u>

Footnotes:

1. Accrued interest on previously held distributions in the amount of \$274.44 for California Valley Miwok Tribe pending distribution.

Exhibit 3**Amount of Revenue from Each Compact Tribe Received by the Commission Through December 31, 2005 for the Fiscal Year Ending June 30, 2006**

	Compact Tribe	Revenue Received Fiscal Year to Date	Revenue Received Inception to Date
1	Agua Caliente Band of Cahuilla Indians	\$274,575.00	\$4,010,431.25
2	Alturas Indian Rancheria	0.00	187,500.00
3	Augustine Band of Mission Indians	0.00	437,500.00
4	Barona Band of Mission Indians	368,175.00	3,958,637.77
5	Bear River Band of the Rohnerville Rancheria	0.00	0.00
6	Berry Creek Rancheria	0.00	617,500.00
7	Big Sandy Rancheria	0.00	0.00 ²
8	Big Valley Rancheria	0.00	500,000.00
9	Blue Lake Rancheria	0.00	437,500.00
10	Buena Vista Rancheria	0.00	0.00 ²
11	Cabazon Band of Mission Indians	633,375.00	4,225,442.05
12	Cahto Indian Tribe of the Laytonville Rancheria	0.00	0.00
13	Cahuilla Band of Mission Indians	0.00	125,000.00
14	Campo Band of Diegueno Mission Indians	0.00	500,000.00
15	Chemehuevi Indian Tribe	0.00	0.00 ²
16	Cher-Ae Heights Indian Community	0.00	0.00
17	Chicken Ranch Rancheria	0.00	0.00
18	Colusa Rancheria	0.00	403,750.00
19	Dry Creek Rancheria	1,001,250.00	7,510,746.58
20	Elem Indian Colony	0.00	0.00
21	Elk Valley Rancheria	0.00	62,500.00
22	Ewiiaapaayp Band of Kumeyaay Indians	0.00	2,437,433.22
23	Hoop Valley Tribe	0.00	0.00
24	Hopland Band of Pomo Indians	173,507.67	2,238,466.24
25	Jackson Rancheria	243,562.50	3,270,439.72
26	Jamul Indian Village	0.00	0.00
27	La Jolla Band of Luiseno Indians	0.00	0.00
28	Manchester Point Arena Rancheria	0.00	0.00
29	Manzanita Band of Mission Indians	0.00	0.00
30	Middletown Rancheria	0.00	187,500.00
31	Mooretown Rancheria	67,500.00	759,513.70
32	Morongo Band of Mission Indians	0.00	497,300.00
33	Paiute Bishop Tribe	0.00	0.00
34	Pala Band of Mission Indians	1,000,000.00	15,371,569.58
35	Paskenta Band of Nomlaki Indians	0.00	528,750.00
36	Pauma/Yuima Band of Mission Indians	47,604.00	1,128,025.61
37	Pechanga Band of Mission Indians	142,650.00	1,605,105.62
38	Picayune Rancheria	1,102,500.00	10,400,219.18

Exhibit 3**Amount of Revenue from Each Compact Tribe Received by the Commission Through December 31, 2005 for the Fiscal Year Ending June 30, 2006**

	Compact Tribe	Revenue Received Fiscal Year to Date	Revenue Received Inception to Date
39	Pit River Tribe	0.00	0.00
40	Quechan Indian Nation	0.00	0.00
41	Redding Rancheria	0.00	687,500.00
42	Resighini Rancheria	0.00	0.00
43	Rincon Band of Mission Indians	667,500.00	7,510,746.58
44	Robinson Rancheria	0.00	275,000.00
45	Rumsey Rancheria	1,000,000.00	6,134,900.62
46	San Manuel Band of Mission Indians	224,550.00	4,828,747.81
47	San Pasqual Band of Diegueno Indians	550,200.00	6,581,381.91
48	Santa Rosa Indian Community	1,272,150.00	13,678,226.51
49	Santa Ynez Band of Chumash Indians	657,750.00	7,401,039.04
50	Sherwood Valley Rancheria	0.00	0.00
51	Shingle Springs Rancheria	0.00	1,238,750.00
52	Smith River Rancheria	0.00	0.00
53	Soboba Band of Mission Indians	432,525.00	4,074,993.09
54	Susanville Indian Rancheria	0.00	0.00
55	Sycuan Band of Mission Indians	1,169,925.00	13,164,060.21
56	Table Mountain Rancheria	584,625.00	6,578,232.53
57	Tule River Reservation	770,175.00	3,153,849.04
58	Tuolumne Rancheria	0.00	828,750.00
59	Twenty-Nine Palms Band of Mission Indians	689,250.00	7,755,478.77
60	United Auburn Indian Community	1,000,000.00	7,946,560.76
61	Viejas Band of Mission Indians	1,000,000.00	4,692,366.54
	Totals	15,073,349.17	157,931,413.93
	Interest	130,835.61	3,743,297.80
	Grand Totals	\$15,204,184.78¹	\$161,674,711.73

Footnotes:

1. See Exhibit 2 for a copy of a fund condition statement for the Fund for the quarter ended December 31, 2005, which is the most recent quarter-end for which a distribution has been recommended for payment.
2. Prepayment receipts were returned to payor tribes for the return of unused putative gaming device licenses issued by Sides Accountancy Corporation. Licenses in equal number were issued by the Commission on September 5, 2002 resulting in \$2,137,500 in prepayment fees to the Fund.

Exhibit 4**Quarterly Amount of Shortfall in Payments that Occurred in the RSTF for the Quarter Ended December 31, 2005**

	Eligible Recipient Indian Tribe	Total Potential Quarterly Distribution	Total Recommended Quarterly Distribution	Quarterly Shortfall
1	Alturas Indian Rancheria	\$275,000.00	\$100,786.04	\$174,213.96
2	Bear River Band of the Rohnerville Rancheria	275,000.00	100,786.04	174,213.96
3	Benton Paiute Reservation	275,000.00	100,786.04	174,213.96
4	Big Lagoon Rancheria	275,000.00	100,786.04	174,213.96
5	Big Pine Reservation	275,000.00	100,786.04	174,213.96
6	Big Sandy Rancheria	275,000.00	100,786.04	174,213.96
7	Bridgeport Paiute Indian Colony	275,000.00	100,786.04	174,213.96
8	Buena Vista Rancheria	275,000.00	100,786.04	174,213.96
9	Cahto Indian Tribe of Laytonville Rancheria	275,000.00	100,786.04	174,213.96
10	Cahuilla Band of Mission Indians	275,000.00	100,786.04	174,213.96
11	California Valley Miwok Tribe	275,000.00	100,786.04	174,213.96
12	Cedarville Rancheria	275,000.00	100,786.04	174,213.96
13	Chemehuevi Indian Tribe	275,000.00	100,786.04	174,213.96
14	Cher-Ae Heights Indian Community	275,000.00	100,786.04	174,213.96
15	Chicken Ranch Rancheria	275,000.00	100,786.04	174,213.96
16	Cloverdale Rancheria	275,000.00	100,786.04	174,213.96
17	Cold Springs Rancheria	275,000.00	100,786.04	174,213.96
18	Colorado River Indian Tribes	275,000.00	100,786.04	174,213.96
19	Cortina Rancheria	275,000.00	100,786.04	174,213.96
20	Death Valley Timbi-Sha Shoshone Tribe	275,000.00	100,786.04	174,213.96
21	Elem Indian Colony	275,000.00	100,786.04	174,213.96
22	Elk Valley Rancheria	275,000.00	100,786.04	174,213.96
23	Enterprise Rancheria	275,000.00	100,786.04	174,213.96
24	Ewiiapaayp Band of Kumeyaay Indians	275,000.00	100,786.04	174,213.96
25	Federated Indians of Graton Rancheria	275,000.00	100,786.04	174,213.96
26	Fort Bidwell Indian Community	275,000.00	100,786.04	174,213.96
27	Fort Independence Reservation	275,000.00	100,786.04	174,213.96
28	Fort Mojave Indian Tribe	275,000.00	100,786.04	174,213.96
29	Greenville Rancheria	275,000.00	100,786.04	174,213.96
30	Grindstone Rancheria	275,000.00	100,786.04	174,213.96
31	Guidville Rancheria	275,000.00	100,786.04	174,213.96
32	Habematolel Pomo of Upper Lake	275,000.00	100,786.04	174,213.96
33	Hoopa Valley Tribe	275,000.00	100,786.04	174,213.96
34	Inaja-Cosmit Mission Indians	275,000.00	100,786.04	174,213.96
35	Ione Band of Miwok Indians	275,000.00	100,786.04	174,213.96
36	Jamul Indian Village	275,000.00	100,786.04	174,213.96
37	Karuk Tribe of California	275,000.00	100,786.04	174,213.96

Exhibit 4**Quarterly Amount of Shortfall in Payments that Occurred in the RSTF for the Quarter Ended December 31, 2005**

	Eligible Recipient Indian Tribe	Total Potential Quarterly Distribution	Total Recommended Quarterly Distribution	Quarterly Shortfall
38	La Jolla Band of Mission Indians	275,000.00	100,786.04	174,213.96
39	La Posta Band of Mission Indians	275,000.00	100,786.04	174,213.96
40	Lone Pine Reservation	275,000.00	100,786.04	174,213.96
41	Los Coyotes Band of Cahuilla Indians	275,000.00	100,786.04	174,213.96
42	Lower Lake Rancheria	275,000.00	100,786.04	174,213.96
43	Lytton Rancheria	275,000.00	100,786.04	174,213.96
44	Manchester Point Arena Rancheria	275,000.00	100,786.04	174,213.96
45	Manzanita Mission Indians	275,000.00	100,786.04	174,213.96
46	Mechoopda Indian Tribe	275,000.00	100,786.04	174,213.96
47	Mesa Grande Mission Indians	275,000.00	100,786.04	174,213.96
48	Northfork Rancheria	275,000.00	100,786.04	174,213.96
49	Paiute Bishop Community	275,000.00	100,786.04	174,213.96
50	Pinoleville Reservation	275,000.00	100,786.04	174,213.96
51	Pit River Tribe	275,000.00	100,786.04	174,213.96
52	Potter Valley Rancheria	275,000.00	100,786.04	174,213.96
53	Quartz Valley Indian Community	275,000.00	100,786.04	174,213.96
54	Quechan Tribe of Fort Yuma	275,000.00	100,786.04	174,213.96
55	Ramona Mission Indians	275,000.00	100,786.04	174,213.96
56	Redwood Valley Rancheria	275,000.00	100,786.04	174,213.96
57	Resighini Rancheria	275,000.00	100,786.04	174,213.96
58	Round Valley Indian Tribe	275,000.00	100,786.04	174,213.96
59	Santa Rosa Band of Cahuilla Mission Indians	275,000.00	100,786.04	174,213.96
60	Santa Ysabel Mission Indians	275,000.00	100,786.04	174,213.96
61	Scotts Valley Band of Pomo Indians	275,000.00	100,786.04	174,213.96
62	Sherwood Valley Pomo Indians	275,000.00	100,786.04	174,213.96
63	Shingle Springs Rancheria	275,000.00	100,786.04	174,213.96
64	Smith River Rancheria	275,000.00	100,786.04	174,213.96
65	Stewarts Point Rancheria	275,000.00	100,786.04	174,213.96
66	Susanville Indian Rancheria	275,000.00	100,786.04	174,213.96
67	Table Bluff Reservation	275,000.00	100,786.04	174,213.96
68	Torrez-Martinez Mission Indians	275,000.00	100,786.04	174,213.96
69	Washoe Tribe of Nevada & California	275,000.00	100,786.04	174,213.96
70	Yurok Tribe of the Yurok Reservation	275,000.00	100,786.04	174,213.96
	Total	\$19,250,000.00	\$7,055,022.80	\$12,194,977.20

To: The California Gaming Control Commission
From: Douglas C. Moore
Date: January 26, 2006
RE: Request for Conditional Approval of Sale of Gold Rush Gaming Parlor & Saloon in Grass Valley, CA

Dear Commissioners:

Good afternoon. My name is Douglas Moore. On January 3, 2006, Susan J Barrows, the current owner of record for the Gold Rush Gaming Parlor in Grass Valley threatened me with a lawsuit for deformation of her character and for ruining her business.

For 14 years ending in December 2004, I was in a committed relationship with Ms Barrows. During 2002, 2003 and 2004 I helped manage and run the Gold Rush, working 60 to 80 hours a week. The Gold Rush was to be used for our future retirement, so I collected only nominal wages (less than \$30,000 over that timeframe), and lived on that plus my Social Security disability payments.

Ms Barrows borrowed monies on multiple occasions to fund the business operations. On August 26, 2002, my sister, Ms Karen Glatt at the request of Ms Barrows loaned her \$40,336 under the promise that it was to be a short-term loan to keep the business going. Ms Barrows has yet to repay this loan and on several occasions has refused to even document it. On or about February 14, 2003, my 90-year old father, Mr Sumner Moore, loaned her an additional \$32,030 to keep the Gold Rush solvent and protect the money that my sister had invested. Ms Barrows has not documented or repaid these monies either, even though the wired funds and bank transfers are a matter of record.

Ms Barrows and I own a home in Grass Valley. I had refinanced the property several years back for additional Gold Rush operating capital. My name is the only one on the mortgage and therefore the only one liable if payments aren't made. On or about September 9, 2004, I took out an equity line of credit on my home and \$72,842 went into the Gold Rush to pay off additional business indebtedness incurred by Ms Barrows.

On or about November 2, 2004, less than a month and a half after investing the equity funds into the Gold Rush, Ms Barrows and I had a falling out. I refused to put up with the way she was handling the business and as a result she forbade me from entering the premises. Since the Gold Rush was in her name, I complied. A month later she gave me a 30-day eviction notice from our property because "I was not paying the mortgage". She currently lives in the home and refuses to allow me to sell it, which is forcing me to take legal action.

It is my understanding that Ms Barrows currently owes taxes to State and Federal Agencies on the Gold Rush, as well as a number of other debts, including those to my

relatives and me. It is also my understanding that she has entered into a sale of the Gold Rush Gaming Parlor and I hope that you will allow her to proceed with that sale so that those owed funds have a chance to recover them.

Based upon Ms Barrows past behavior, I believe she intends to leave Grass Valley once the Gold Rush escrow closes, without making restitution to anyone and without allowing me to sell my home. Taxes, fines, debts and any judgments will be filed as liens on the only property she has her name on, which is the home that we co-own. There is insufficient equity in the property to pay off her debts, thus my credit will be further damaged, and I will end up paying off all her taxes including capital gains from the sale of the Gold Rush, due to deficiency judgments filed against me by the lenders.

I therefore request that the Commission approve the sale of the Gold Rush Gaming Parlor to the Cal-Pac Group or any other qualified buyer under the **condition that all debtors as well as City, State and Federal Agencies be paid in full for business debts, outstanding loans incurred and personal and business taxes due.** If the sale is allowed to proceed without this condition, multiple people will be irreparably harmed and severely financially damaged.

I would be glad to provide the Department of Justice and the Gaming Commission with any supporting documentation that they would like to see.

I thank you for your time and consideration in this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Douglas C. Moore".

Douglas C. Moore